



**First American**

**First American Title Company of Oregon**

121 SW Morrison St, FL 3

Portland, OR 97204

Phn - (503)222-3651 (800)929-3651

Fax - (877)242-3513

Order No.: 7000-2224211

March 15, 2014

**FOR QUESTIONS REGARDING YOUR CLOSING, PLEASE CONTACT:**

**GLORIA MILLER**, Escrow Officer/Closer

Phone: (503)350-5005 - Fax: (866)656-1602- Email:gmiller@firstam.com

First American Title Company of Oregon

5335 SW Meadows Rd #100, Lake Oswego, OR 97035

**FOR ALL QUESTIONS REGARDING THIS PRELIMINARY REPORT, PLEASE CONTACT:**

**Sarah Walters**, Title Officer

Toll Free: (800)929-3651 - Direct: (503)790-7857 - Email: sawalters@firstam.com

**Preliminary Title Report**

**County Tax Roll Situs Address:** 20130 SW 65th Avenue, Tualatin, OR 97062

**Proposed Insured Lender: TBD**

**Proposed Borrower: Lennar Northwest Inc**

2006 ALTA Owners Standard Coverage	Liability \$	5,000,000.00	Premium \$	8,100.00
2006 ALTA Owners Extended Coverage	Liability \$		Premium \$	
2006 ALTA Lenders Standard Coverage	Liability \$		Premium \$	
2006 ALTA Lenders Extended Coverage	Liability \$		Premium \$	
Endorsement			Premium \$	
Govt Service Charge			Cost \$	50.00
City Lien/Service District Search			Cost \$	
Other			Cost \$	

We are prepared to issue Title Insurance Policy or Policies of First American Title Insurance Company, a California Corporation in the form and amount shown above, insuring title to the following described land:

The land referred to in this report is described in Exhibit A attached hereto.

and as of March 12, 2014 at 8:00 a.m., title to the fee simple estate is vested in:

Sagert Family, LLC, an Oregon limited liability company

Subject to the exceptions, exclusions, and stipulations which are ordinarily part of such Policy form and the following:

This report is for the exclusive use of the parties herein shown and is preliminary to the issuance of a title insurance policy and shall become void unless a policy is issued, and the full premium paid.

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto the subject land), encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.

**The exceptions to coverage 1-5 inclusive as set forth above will remain on any subsequently issued Standard Coverage Title Insurance Policy.**

**In order to remove these exceptions to coverage in the issuance of an Extended Coverage Policy the following items are required to be furnished to the Company; additional exceptions to coverage may be added upon review of such information:**

- A. Survey or alternative acceptable to the company
  - B. Affidavit regarding possession
  - C. Proof that there is no new construction or remodeling of any improvement located on the premises. In the event of new construction or remodeling the following is required:
    - i. Satisfactory evidence that no construction liens will be filed; or
    - ii. Adequate security to protect against actual or potential construction liens;
    - iii. Payment of additional premiums as required by the Industry Rate Filing approved by the Insurance Division of the State of Oregon
- 
6. The assessment roll and the tax roll disclose that the within described premises were specially zoned or classified for Farm use. If the land has become or becomes disqualified for such use under the statute, an additional tax or penalty may be imposed.
  7. City liens, if any, of the City of Tualatin.  
  
Note: There are no liens as of March 14, 2014. All outstanding utility and user fees are not liens and therefore are excluded from coverage.
  8. Statutory powers and assessments of Clean Water Services.
  9. The rights of the public in and to that portion of the premises herein described lying within the limits of streets, roads and highways.

10. Rights of the public and of governmental bodies in and to that portion of the premises herein described lying below the high water mark of Saum Creek.  
(Affects Parcel I)
11. Easement, including terms and provisions contained therein:  
Recording Information: September 24, 1968 as Fee No. 68019724  
In Favor of: Portland General Electric Company, an Oregon Corporation  
For: electric transmission line  
(Affects Parcel I)
12. Easement, including terms and provisions contained therein:  
Recording Information: August 05, 1975 as Fee No. 75021439  
In Favor of: Portland General Electric Company  
(Affects Parcel I)
13. Easement, including terms and provisions contained therein:  
Recording Information: February 03, 1995 as Fee No. 95006448  
In Favor of: The City of Tualatin, a municipal corporation and political subdivision of the State of Oregon  
For: utility  
(Affects Parcel I)
14. Easement, including terms and provisions contained therein:  
Recording Information: February 03, 1995 as Fee No. 95006449  
In Favor of: The City of Tualatin, a political subdivision of the State of Oregon  
For: slope  
(Affects Parcel I)
15. Any conveyance or encumbrance by Sagert Family, LLC, an Oregon limited liability company should be executed pursuant to their Operating Agreement , a copy of which should be submitted to this office for inspection.
16. Unrecorded leases or periodic tenancies, if any.

- END OF EXCEPTIONS -

NOTE: We find no matters of public record against Lennar Northwest Inc that will take priority over any trust deed, mortgage or other security instrument given to purchase the subject real property as established by ORS 18.165.

NOTE: Taxes for the year 2013-2014 PAID IN FULL

Tax Amount: \$2,478.62  
Map No.: 21E30B 00600  
Property ID: 00396299  
Tax Code No.: 304-004  
(Affects Parcel I)

NOTE: Taxes for the year 2013-2014 PAID IN FULL

Tax Amount: \$31.68  
Map No.: 21E30B 00300  
Property ID: 00396262  
Tax Code No.: 304-004

(Affects Parcel II)

NOTE: This Preliminary Title Report does not include a search for Financing Statements filed in the Office of the Secretary of State, or in a county other than the county wherein the premises are situated, and no liability is assumed if a Financing Statement is filed in the Office of the County Clerk covering Crops on the premises wherein the lands are described other than by metes and bounds or under the rectangular survey system or by recorded lot and block.

NOTE: According to the public record, the following deed(s) affecting the property herein described have been recorded within 24 months of the effective date of this report: NONE

**THANK YOU FOR CHOOSING FIRST AMERICAN TITLE!**  
**WE KNOW YOU HAVE A CHOICE!**

**RECORDING INFORMATION**

Filing Address: **Clackamas County**  
1710 Red Soil Ct, Suite 110  
Oregon City, OR 97045

Recording Fees: \$ **53.00 First Page**  
(Comprised of:  
\$ 5.00 per page  
\$ 5.00 per document - GIS Fee  
\$10.00 per document - Public Land Corner Preservation Fund  
\$11.00 per document - OLIS Assessment & Taxation Fee  
\$22.00 per document - Oregon Housing Alliance Fee)

**\$ 5.00 E-Recording fee per document**  
**\$ 5.00 for each additional page**  
**\$ 5.00 for each additional document title, if applicable**  
**\$ 20.00 Non-Standard Document fee, if applicable**



## **First American Title Insurance Company**

### **SCHEDULE OF EXCLUSIONS FROM COVERAGE**

#### **ALTA LOAN POLICY (06/17/06)**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

#### **ALTA OWNER'S POLICY (06/17/06)**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

### **SCHEDULE OF STANDARD EXCEPTIONS**

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto the subject land), encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land.
5. Any lien or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.

NOTE: A SPECIMEN COPY OF THE POLICY FORM (OR FORMS) WILL BE FURNISHED UPON REQUEST

TI 149 Rev. 7-22-08



*First American Title*

#### **Privacy Information**

##### **We Are Committed to Safeguarding Customer Information**

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

##### **Applicability**

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

##### **Types of Information**

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

##### **Use of Information**

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

##### **Former Customers**

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

##### **Confidentiality and Security**

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

##### **Information Obtained Through Our Web Site**

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

##### **Business Relationships**

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

##### **Cookies**

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

[FirstAm.com](http://FirstAm.com) uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

##### **Fair Information Values**

**Fairness** We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

**Public Record** We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

**Use** We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

**Accuracy** We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

**Exhibit "A"**

Real property in the County of Clackamas, State of Oregon, described as follows:

**PARCEL I:**

Part of the Northwest quarter of the Northwest quarter of Section 30, Township 2 South, Range 1 East of Willamette Meridian.

Beginning at the Northwest corner of Section 30, in Township 2 South, Range 1 East of Willamette Meridian, thence South on Section line 700.00 feet to an iron pipe; thence East 351.3 feet to the Northeast corner of a 21.3 foot strip of land conveyed to Peter J. Hillesland and Etna H. Hillesland, his wife, by deed recorded March 12, 1945, in book 340 of deeds page 396, records of Clackamas County, Oregon; thence south along the east side of said land 620.00 feet to the southeast corner thereof on the 1/16th section line; thence East on 1/16th section line 696.7 feet to an iron pipe at the southwest corner of a tract of land conveyed to R.A. Lee, by deed recorded Oct. 27, 1936 in book 234 page 293, Clackamas County records; thence North along the West line of the said Lee tract 1320.00 feet to an iron pipe on the section line; thence West on Section line 1048.00 feet to the place of beginning.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF OREGON, BY AND THROUGH ITS HIGHWAY DIVISIONS, BY DECREE FILED IN CIRCUIT COURT SUIT #68-213;

FURTHER EXCEPTING THEREFROM THAT PORTION CONVEYED TO PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation, BY deed recorded 9-24-68, Fee No. 68 19723, Deed Records;

FURTHER EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE PUBLIC FOR ROADWAY PURPOSES IN DEED RECORDED 02-03-95, Fee No. 95-006447, Deed Records.

**PARCEL II:**

Part of the Southwest quarter of the southwest quarter of Section 19 in Township 2 South, Range 1 East of the Willamette Meridian, described as:

Beginning at an iron pipe which is East 788.00 feet from the Northwest corner of Section 30, in Township 2 South, Range 1 East of the Willamette Meridian, thence North 441 feet to an iron pipe in the center of a road; thence East 260.00 feet to an iron pipe; thence South 441.00 feet to an iron pipe; thence west 260.00 feet to the place of beginning.

NOTE: This legal description was created prior to January 1, 2008.